

FORM ONE MONTHLY TEST

BUSINESS STUDIES

TIME: 2 HRS

FEBRUARY 2025

INSTRUCTIONS

1. This paper consists of Section A, B and C with a total of **ten (10)** questions
2. Answer Questions from all questions.
3. Section A and C carries **fifteen (15)** marks each, while section B carries **seventy (70)** marks
4. All answers should be written in the space provided on this questions paper.

SECTION A (15 Marks)

1. For each of the items (i) -(x), choose the correct answer from among the given alternatives and write its letter in the box provided.

- i) A soft drink company uses sugar, water, and flavors to produce soda in large quantities before selling it to wholesalers. Which of the following best describes this activity of turning the ingredients into soda?
- | | |
|-----------------|----------------|
| a) Distribution | c) Consumption |
| b) Production | d) Exchange |
- ii) Asha was employed as a secretary at St. Clara Girls Secondary school, and she receives salary for her services. In which category does the post held by Asha can be placed among the following factors of production?
- | | |
|-----------|---------------------|
| a) Land | c) Capital |
| b) Labour | d) Entrepreneurship |
- iii) Mr. Masakata is a retailer who sells goods to the customers on cash and credit terms. However, he opted to sell on credit in order to attract more customers. What is the best description of this business process?
- | | |
|-----------------|----------------|
| a) Distribution | c) Consumption |
| b) Production | d) Exchange |
- iv) Which among the following is a good example of perishable goods?
- | | |
|-------------------------|--------------------|
| a) Processed coffee | c) Wheat flower |
| b) Processed vegetables | d) Natural flowers |
- v) Mr. Felix bought a new tractor costing TZS 36,000,000 for large scale agricultural activities. What type of goods can this tractor be classified into?
- | | |
|-------------------|-------------------|
| a) Consumer goods | c) Domestic goods |
| b) Producer goods | d) Luxury goods |
- vi) Latifa went to the Supermarket to purchase food items such as bread and butter, fruits, meat, dairy and eggs for her family. How can you describe Latifa in business terms?
- | | |
|-------------|-------------|
| a) Producer | c) Consumer |
| b) Cook | d) Mother |
- vii) Education provided by teachers, healthcare from doctors, and banking services offered by financial institutions are good examples of:
- | | |
|-------------------|---------------------|
| a) Economic goods | c) Services |
| b) Free goods | d) Opportunity cost |
- viii) A drought in Tanzania has reduced the supply of maize, making it difficult for many people to buy flour. What economic problem does this situation illustrate?
- | | |
|---------------------|-------------|
| a) Opportunity cost | c) Scarcity |
| b) Profit | d) Exchange |
- ix) Amina sells homemade fruit juice. It costs her TZS 3,000 to produce each liter, and she sells it for TZS 5,000. How much profit does she make per liter?
- | | |
|--------------|--------------|
| a) TZS 2,000 | c) TZS 5,000 |
| b) TZS 3,000 | d) TZS 8,000 |

- x) Jane has TZS 10,000. She can either buy a textbook for school or a ticket to a music concert. She chooses to buy the textbook. What is the opportunity cost in Jane's decision?
- The textbook she bought
 - The money she spent
 - The concert she missed
 - The value of the textbook in the future

2. Match the descriptions of various types of goods in List A with the corresponding types of goods in List B by writing the letter of the correct response below the item number in the table provided.

LIST A		LIST B
i)	Goods which are provided by nature, and are abundant in supply.	A. Luxury goods
ii)	Goods which have high social benefits to consumers.	B. Capital goods
iii)	Goods that are scarce and yield utility to an individual.	C. Perishable goods
iv)	Goods which are produced to assist production of other goods.	D. Economic goods
v)	Goods which have short life span in nature.	E. Merit goods
		F. Public goods
		G. Free goods

ANSWERS

LIST A	i	ii	iii	iv	v
LIST B					

SECTION B (70 Marks)

Answer All Questions

3. With examples explain the following business terms

- i) Business

- ii) Resources

- iii) Demerit goods

- iv) Scarcity

- v) Service

4. Juma wants to start a small bakery business in his town. He plans to bake different types of bread and cakes to sell to local shops and customers. However, he is unsure about how the business processes work from production to consumption. Using Juma's bakery as an example, mention and explain the four key business processes to help him understand how his business will operate effectively.

i)

ii)

iii)

iv)

5. David just got his first salary from his new job. He is excited to spend his money but realizes he has many things he would like to buy. He needs to pay rent, buy food, and purchase work clothes. At the same time, he also wants to buy a new smartphone, a gaming console, and a stylish watch. Since his salary is limited, he must decide what to buy first.

- i) Explain the meaning of
a) Human wants

- b) Human needs

- ii) From David's situation, identify his needs and wants.
a) David's wants

- b) David's Needs

6. Amina runs a retail shop that sells various products, including food items, electronics, and farming tools. She buys fresh vegetables and dairy products daily from local farmers, stocks home appliances such as refrigerators and televisions, and also sells farming equipment like tractors and fertilizers. From the products Amina sells in her shop, identify and classify them into:

i) Producer Goods

ii) Consumer Goods

iii) Perishable Goods

iv) Durable Goods

7. John has recently completed his secondary education and has saved TZS 1,000,000. He is considering how to use his savings. He has three options:

Option 1: Enrolling in a short computer course to improve his skills.

Option 2: Using the money to start a small poultry business.

Option 3: Buying a motorcycle to use for transportation services.

After careful consideration, John decides to invest in the poultry business.

a) Explain the meaning of Opportunity Cost

b) Based on John's decision, identify his opportunity cost

8. Michael visits a shopping mall to buy a new laptop and a pair of shoes. After making his purchases, he goes to a nearby salon for a haircut. Later, he takes a taxi home. From Michael's activities,

i) identify the goods and services he consumed.

a) Goods consumed:

b) Services consumed:

ii) Explain the difference between goods and services using his experience as an example.

9. Zainab wants to start a dairy farm to produce and sell milk in her town. To make her business successful, she needs land for grazing cows, workers to take care of the animals, money to buy equipment and feeds, and her own managerial skills to run the business effectively. Identify the four factors of production in Zainab's dairy farm and explain the role of each in her business.

i)

ii)

iii)

iv)

SECTION C (15 Marks)

10. In the town of Mwangaza, a group of entrepreneurs starts different types of businesses, including shops, transport services, and small factories. Over time, the town begins to grow, and people's daily lives start to change. Many residents notice differences in their community but do not fully understand how these businesses are contributing to the changes. Based on this scenario, explain the importance of business in society, highlighting at least seven key benefits.

Lined area for writing or drawing.
